

## SBI to seek shareholders' nod for plan to raise ₹ 15,000 cr from market

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Mumbai, Jan 21:

State Bank of India on Thursday said a general meeting of its shareholders will be convened on February 26 to get their consent to access the capital market to raise up to ₹ 15,000 crore by issuing equity shares of Re1 each.

The capital will be raised by way of qualified institutions placement (QIP) /further public offer (FPO) /rights issue/global depository receipt (GDR)/ American Depository Receipt (ADR)/ and/ or other mode(s) or a combination(s) thereof, as may be decided by the board, in one or more tranches.

The capital raising plan is subject to the condition that the Government of India's shareholding in the share capital of the bank does not fall below 52 per cent at any point of time, the bank said in a notice to the BSE.

India's largest bank said based on the assumptions of growth in risk-weighted assets and plough-back of profits, it will require additional capital during FY16 and FY17.

The bank requires adequate capital to match the anticipated growth in assets and comply with the stipulated level of capital adequacy, especially on account of requirement of the capital conservation buffer, domestic-systemically important bank capital requirement and Counter Cyclical Capital Buffer (CCCB).

Accordingly, considering the business growth during the current year as well as that for the years to come, SBI said there is a need for higher capital, particularly, Tier-I capital. Targeting the end state capital ratios, at the initial stage, will ensure smooth transition to FY19 capital requirements.

The bank's overall Capital Adequacy Ratio (CAR), as on March, 31, 2015, stood at 12 per cent, with CET-I capital at 9.31 per cent. The central board of the bank has decided that it should maintain minimum CAR at 12 per cent with tier-I capital at a minimum of 9 per cent.

The bank said in case of QIP, the allotment of equity shares will only be made to Qualified Institutional Buyers (QIBs) at a discount not exceeding 5 per cent, if any, on the price determined in accordance with the pricing formula under SEBI regulations, or such discount as may be specified by SEBI.

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